

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-278-W/S

POSTED
2/5/95

S. C. PUBLIC SERVICE COMMISSION
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IN RE: Application of AAA UTILITIES, INC.)
For Approval of an Adjustment in Rates)
and Charges.)

APPLICATION

AAA UTILITIES, INC., (hereinafter "the Company") submits this Application to the Commission pursuant to S.C. Code Ann. Section 58-5-240 (Cum. Supp. 1993) and requests favorable action thereon. In support thereof, the Company would show unto the Commission and urge the following described matters.

1. The Company is a South Carolina Corporation duly organized and existing pursuant to the laws of this State. In accordance with its Charter, the Company provides water and sewerage service to customers for compensation within the service area as designated by this Commission.

2. The Company's proposed rates and charges are fully described on Schedule B to the Application. A comparison of present and proposed rates appears as Schedule B-1. The Company's proposed rates, if fully implemented, will produce a fair return on investment and a reasonable operating margin.

3. The Company is mindful of the impact of any increase in water and sewerage rates on residential customers; therefore, the Company requests that the proposed rates and charges be placed into effect in a Two Step Phase-in. The Company requests the First Step be effective for service rendered on and after November 1, 1995, and the Second Step be effective for service rendered on and after November 1, 1996. The proposed Two Step Phase-in is described in detail on Schedule B and Schedule B-1.

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UTILITIES DIVISION

ACCEPTED
Adm. Accepted by
Legal Comm. Order
Util. No. 95-1011

Trans.

4. In accordance with the Commission's Rules and Regulations and in support of the Application, the Company includes as part of the Application the following attached Schedules:

- A Income and Expense Statement for the Year Ending December 31, 1994 (two pages)
- B Proposed Rate Schedule
- B-1 Present and Proposed Rate Schedule Describing Two Step Phase-in
- C Proposed Test Year
- D Pro Forma Income and Expense Statement Showing Effect of Proposed Rates and Two Step Phase-in as Applied to Proposed Test Year (twelve pages)
- E Balance Sheet as of December 31, 1994
- F Depreciation Schedule
- G Present Number of Customers and Expected Customer Growth in the Following Twelve Months
- H Cost Justification for Proposed Rates and Charges
- I Current Service Area Description
- J Total Plant Investment
- K Customer Bill Form

5. The Company requests that its Performance Bond on file with the Commission be accepted as satisfactory for this Application. In addition, the latest DHEC approval letter is already on file with the Commission.

6. The Company offers the following as a statement of reason justifying the need for proposed rate adjustment:

Revenues from providing water service and sewerage service have remained constant over a long period of time. In fact, AAA Utilities,

Inc. has never before requested to increase rates and charges. Expenses, however, have continued to rise until per book net income is NEGATIVE \$4,578.55 with an operating margin of NEGATIVE 10.47%.

The operator devotes full time schedule for the system for part time pay. Adjusting for full time operator pay and other expense items, net income falls to NEGATIVE \$24,541.63 with an operating margin of NEGATIVE 31.86%.

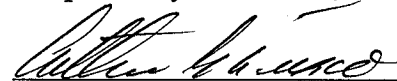
This is not a reasonable situation for the owners and operators of AAA or its customers.

7. Correspondence concerning this Application should be addressed to the undersigned as Counsel for the Company AND to the Applicant as follows:

Mr. J. E. Swearingen
President
AAA Utilities, Inc.
1019 Reynord Circle
West Columbia, SC 29172

Based on the foregoing, AAA Utilities, Inc. requests the Commission approve the proposed rates and charges in the Application and authorize the Company to implement them in a Two Step Phase-in November 1, 1995, and November 1, 1996, as described fully in the Schedules accompanying the Application.

Respectfully submitted,



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(803)733-3433
ATTORNEY FOR APPLICANT

Columbia, SC
April 17, 1995